

ARTICLE APPEARED
ON PAGE 3

THE WALL STREET JOURNAL
12 December 1980

Casey Would Carry 2 Assets to CIA Post, But He's Also Seen Bringing 2 Liabilities

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—William J. Casey, the gruff New York tax lawyer nominated for director of central intelligence, would bring to the job two valuable assets: a close relationship with the President and intelligence experience.

But, in the view of intelligence professionals, he also carries two liabilities. His age—67—causes some to wonder whether he has the vigor to revitalize the Central Intelligence Agency, which many experts consider to be seriously demoralized.

And professionals fear that Mr. Casey's intelligence experience, which dates back to World War II, might be outdated.

"The initial reaction is going to be a wait-and-see one," said one former intelligence officer.

As CIA director, Mr. Casey would inherit an agency that some of Ronald Reagan's advisers think needs wholesale improvements and sweeping reorganization. They reportedly recommended that the new administration place greater emphasis on covert action and counterintelligence.

Mr. Casey said yesterday that the recommendations are merely a collection of "information and ideas" gathered by the transition team. He said he hadn't read the transition report yet and would set policy later.

But Mr. Casey has said the U.S. needs



the world's "best" intelligence, and he apparently shares the view that the CIA's operations need to be strengthened. One indication of the emphasis the new administration will place on intelligence may be the announcement yesterday that Mr. Casey, as director of central intelligence, would be a member of the President's Cabinet.

Stansfield Turner, the current director of national intelligence, isn't a Cabinet member.

Mr. Casey, who managed Mr. Reagan's election campaign, served during World War II in the U.S. Office of Strategic Services, a highly regarded intelligence operation that was a forerunner of the CIA. He eventually rose to become chief of intelligence for the European Theater.

But for most of his adult life, Mr. Casey has been a highly successful tax lawyer. He made a fortune publishing "desk books" for lawyers needing to know about taxes and estate planning.

President Nixon appointed him chairman of the Securities and Exchange Commission in 1971. Liberal Democrats protested, saying Mr. Casey was too close to Wall Street. But many of the critics were pleasantly surprised when he turned out to be an active, relatively tough regulator.

Mr. Casey later became Under Secretary of State for Economic Affairs, then chairman of the U.S. Export-Import Bank.

He managed Mr. Reagan's presidential campaign from last February through the election—although much of the authority for running the campaign was assumed by Edwin Meese, a Reagan confidant who will be White House counselor.

Intelligence experts say that the first

problem Mr. Casey should tackle is low morale at the CIA. The agency was severely shaken during the mid-1970s by a period of congressional investigations and press disclosures of questionable activities.

Morale sank further, former officers say, when Mr. Turner eliminated about 800 jobs in the agency's covert action programs in 1977. As a result, many intelligence professionals disliked the Carter administration and Mr. Turner. "I think most everybody agrees that anything would be an improvement," says one former intelligence officer.

Morale also will jump, some observers say, if the new administration can get Congress to pass two bills designed to protect CIA agents. One would outlaw the wholesale disclosure of the names of CIA undercover operators. In recent months, some publications have printed lists of names of CIA agents. This has sent shivers through the intelligence community, whose members fear that disclosure of agents' identities opens them to attack from unfriendly agents.

The second bill would exclude some CIA materials from disclosure under the Freedom of Information Act. Intelligence officials contend that such a bill is necessary to assure agents and sources that their names won't be released.

Mr. Casey isn't expected to encounter any serious problems in congressional confirmation hearings. But he may face some ticklish questions over recent disclosures that while he was chairman of the SEC he met with a lawyer for fugitive financier Robert Vesco. Mr. Vesco was under SEC investigation at the time.

Mr. Vesco's representative brought up the investigation during the meeting with Mr. Casey. But Richard Allen, a Reagan foreign policy adviser who arranged the meeting, has said that he didn't know the lawyer would discuss the Vesco investigation. And Mr. Casey said yesterday that he directed the case against Mr. Vesco, who eventually was indicted five separate times in U.S. courts for securities violations. Mr. Casey said he didn't think there was "any question" about his vigorous pursuit of the case against Mr. Vesco.